

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Newburyport Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 1, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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**Newburyport Retirement System**  
**January 1, 2016 Actuarial Valuation**

Total cost increasing 5.0% through FY34, with a final amortization payment in FY35

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Total Cost</u> <u>% Increase</u>
2017	1,530,976	2,652,859	173,007	75,516	4,432,358	44,910,359	
2018	1,599,870	2,805,583	173,007	75,516	4,653,976	45,159,650	5.0%
2019	1,671,864	2,966,288	173,007	75,516	4,886,675	45,263,460	5.0%
2020	1,747,098	3,308,394		75,516	5,131,008	45,202,298	5.0%
2021	1,825,717	3,561,842			5,387,559	44,954,767	5.0%
2022	1,907,875	3,749,062			5,656,937	44,497,395	5.0%
2023	1,993,729	3,946,055			5,939,784	43,804,457	5.0%
2024	2,083,447	4,153,326			6,236,773	42,847,783	5.0%
2025	2,177,202	4,371,410			6,548,611	41,596,541	5.0%
2026	2,275,176	4,600,866			6,876,042	40,017,016	5.0%
2027	2,377,559	4,842,285			7,219,844	38,072,361	5.0%
2028	2,484,549	5,096,287			7,580,836	35,722,332	5.0%
2029	2,596,354	5,363,524			7,959,878	32,922,998	5.0%
2030	2,713,190	5,644,682			8,357,872	29,626,434	5.0%
2031	2,835,283	5,940,482			8,775,766	25,780,383	5.0%
2032	2,962,871	6,251,683			9,214,554	21,327,893	5.0%
2033	3,096,200	6,579,082			9,675,282	16,206,926	5.0%
2034	3,235,529	6,923,517			10,159,046	10,349,933	5.0%
2035	3,381,128	3,683,397			7,064,525	3,683,397	-30.5%
2036	3,533,279				3,533,279	0	-50.0%

Appropriation payments assumed to be made July 1.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$460,000.

FY17 appropriation was maintained at the same level as the prior schedule.